

Press Release

Tender for the re-opening of 5-Year Government Bonds under the Institutional Bond Issuance Programme to be held on Wednesday, 5 September 2012

The Hong Kong Monetary Authority (HKMA), as representative of the Hong Kong Special Administrative Region Government (HKSAR Government), announces today (Monday) that a tender of 2-Year Government Bonds (Bonds) through the re-opening of existing 5-Year Government Bond issue 05GB1411 under the Institutional Bond Issuance Programme will be held on Wednesday, 5 September 2012, for settlement on Thursday, 6 September 2012.

An additional amount of HK\$3.5 billion of the outstanding 5-Year Bonds (issue no. 05GB1411) will be on offer as 2-Year Bonds. The Bonds will mature on 3 November 2014 and will carry interest at the rate of 2.07% per annum payable semi-annually in arrears. The Bonds Fixings on 27 August 2012 is 103.91 with an annualised yield of 0.275%.

Under the Institutional Bond Issuance Programme, tender is open only to Recognized Dealers which are appointed as Primary Dealers. Any tender applications for the Bonds must be submitted through a Primary Dealer on the current published list, which can be obtained from the Government Bond Programme's website at <http://www.hkgb.gov.hk>. Each tender must be for an amount of HK\$50,000 or integral multiples thereof.

Tender results will be published on the HKMA's website, the Government Bond Programme's website, the Reuters screen (HKGBINDEX), and Bloomberg (GBHK <GO>) not later than 3:00 pm on the tender day.

Hong Kong Monetary Authority
27 August 2012

**HKSAR GOVERNMENT
INSTITUTIONAL BOND ISSUANCE PROGRAMME
TENDER INFORMATION**

Tender information of re-opening of 5-Year Government Bonds under the Institutional Bond Issuance Programme:-

Issue Number : 05GB1411

Stock code : 4202 (HKGB 2.07 1411)

Tender Date and Time : Wednesday, 5 September 2012
9:30 am to 10:30 am

Issue and Settlement Date for tender amount : Thursday, 6 September 2012

Amount on Offer : HK\$3.5 billion

Maturity : 2 years

Remaining Maturity : Approximately 2.16 years

Maturity Date : 3 November 2014

Interest Rate : 2.07% p.a. payable semi-annually in arrears

Interest Payment Dates : 5 November 2012
3 May 2013
4 November 2013
5 May 2014
3 November 2014

Method of Tender : Competitive tender

Tender Amount : Each competitive tender must be for an amount of HK\$50,000 or integral multiples thereof. Any tender applications for the Bonds must be submitted through a Primary Dealer on the current published list.

The accrued interest to be paid by successful bidders on the issue date (6 September 2012) for the tender amount is HK\$357.29 per minimum denomination of HK\$50,000.

(The accrued interest to be paid for tender amount exceeding HK\$50,000 may not be exactly equal to the figures calculated from the accrued interest per minimum

denomination of HK\$50,000 due to rounding).

Other details : Please see Information Memorandum available on the Government Bond Programme's website at <http://www.hkgb.gov.hk> or approach Primary Dealers.

Expected commencement date of dealing on the Stock Exchange of Hong Kong Limited : The tender amount is fully fungible with the existing 05GB1411 (Stock code: 4202) listed on the Stock Exchange of Hong Kong.

Price/Yield Table of the re-opening Government Bonds at tender for reference* only:-

<u>Yield-to-Maturity</u>	<u>Price</u>	<u>Yield-to-Maturity</u>	<u>Price</u>
-0.725	106.08	0.275	103.85
-0.675	105.97	0.325	103.74
-0.625	105.86	0.375	103.63
-0.575	105.75	0.425	103.53
-0.525	105.63	0.475	103.42
-0.475	105.52	0.525	103.31
-0.425	105.41	0.575	103.20
-0.375	105.30	0.625	103.09
-0.325	105.18	0.675	102.98
-0.275	105.07	0.725	102.87
-0.225	104.96	0.775	102.76
-0.175	104.85	0.825	102.66
-0.125	104.74	0.875	102.55
-0.075	104.63	0.925	102.44
-0.025	104.52	0.975	102.33
0.025	104.41	1.025	102.23
0.075	104.29	1.075	102.12
0.125	104.18	1.125	102.01
0.175	104.07	1.175	101.91
0.225	103.96	1.225	101.80
0.275	103.85	1.275	101.69

*** Disclaimer**

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Hong Kong Monetary Authority

27 August 2012